



Legislative Audit Division

State of Montana

Report to the Legislature

June 2000

Performance Audit

Subdivision Approval Process

Department of Environmental Quality

This performance audit contains recommendations for improving the subdivision approval process. Recommendations include:

- < Eliminating DEQ's review in the Sanitation Act.**
- < Redirecting DEQ's role toward technical assistance.**
- < Ensuring local funding support and fee-setting authority.**
- < Clarifying sanitation review time frames.**

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Members of the performance audit staff hold degrees in disciplines appropriate to the audit process. Areas of expertise include business and public administration, statistics, economics, computer science, and engineering.

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June 2000

The Legislative Audit Committee
of the Montana State Legislature

We conducted a performance audit of the subdivision approval process. This review examined activities administered under the Montana Sanitation in Subdivisions Act and the Montana Subdivision and Platting Act. Audit work addressed specific areas administered by the Department of Environmental Quality. Fieldwork was primarily completed at the county level.

This report discusses the roles and responsibilities of the agencies involved in the process. Report recommendations are directed at potential legislative changes. A written response from the department is included at the end of the report. Preliminary audit findings were also discussed with local officials.

We appreciate the cooperation of the department and local officials during the audit.

Respectfully submitted,

(Signature on File)

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Legislative Auditor

Legislative Audit Division

Performance Audit

Subdivision Approval Process

Department of Environmental Quality

Members of the audit staff involved in this audit were Lisa Blanford, Tom Cooper, Angie Grove, and Joe Murray.

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Introduction

The Legislative Audit Committee requested a performance audit of the subdivision approval process. The process is administered jointly through local governments and the Montana Department of Environmental Quality (DEQ). We gained an overall understanding of the regulation process by:

- < Reviewing related statutes and rules.
- < Interviewing DEQ staff.
- < Reviewing past audit information.
- < Visiting 14 county planning and sanitation operations.
- < Reviewing local and state agency files for 85 proposed subdivisions.
- < Attending related task force/committee meetings.

Comments were received from groups involved in the subdivision process, including environmental organizations, private consultants, engineering firms, professionals from the real estate industry, and local government staff.

Audit Objectives

Our initial audit work focused on the two acts that govern the subdivision approval process: the Montana Subdivision and Platting Act (Platting Act) and the Montana Sanitation in Subdivisions Act (Sanitation Act). Audit work concentrated on the Sanitation Act which is administered at the state level. We directed our efforts to the following two areas:

1. How efficient is the current subdivision approval process?
2. Are statutory changes needed to improve the process?

Areas relating to growth management, land use policies, zoning, or comprehensive planning were not evaluated as part of this audit. Limited audit testing relating to the Platting Act also highlighted an issue for legislative consideration.

Report Summary

Issue for Further Study: Exemptions to the Platting Act

The Platting Act provides for exemptions from local review for several types of land divisions. According to section 76-3-207, MCA, the following divisions of land are not defined as subdivisions under this chapter:

- < Divisions for the purpose of relocating common boundaries.
- < Divisions for a single gift or sale in each county to each member of the landowner's immediate family.
- < Divisions used exclusively for agricultural purposes.

In several counties, family transfers and boundary relocation exemptions account for a significant portion of land divisions in the county. For those lots created with these exemptions, there has been no local review of the land division to ensure the land is suitable for development, water availability, public access to the lots, or that utility easements exist. In addition, impacts on local services were not considered. Furthermore, there is no assurance fire protection, law enforcement, and road maintenance can be provided. Basically, the "new" division received no local government review to ensure compliance with the requirements of the Platting Act. The legislature may need to study this issue further to ensure the original intent of the legislation regarding the exemption is met.

Montana's Subdivision Activity

The amount of subdivision activity occurring under the Sanitation Act in Montana peaked during 1996 with over 1,500 applications for 7,000+ lots. During fiscal year 1998-99, there were 1,378 applications for new subdivisions creating 5,829 new lots.

Lots created under the Sanitation Act are less than 20 acres. Ninety percent of the subdivision activity which occurred in fiscal year 1998-99 was related to minor subdivisions -- those which create five or fewer lots. Over the past two fiscal years (1997-98 and 1998-99), the majority of proposals for new subdivisions originated in the following counties: Flathead, Ravalli, Missoula, Lincoln, Gallatin, Lake, and Yellowstone.

Duplication of Effort Occurs in Sanitation Reviews

During the subdivision approval process, reviews are completed to determine the type and size of sanitation systems needed. Currently, similar reviews are completed by local health officials and DEQ staff.

Table 1
Responsibilities in Sanitation Reviews

<u>DEQ Responsibilities</u>	<u>Local Responsibilities</u>
Application Reviews	Application Reviews
Degradation Determinations	Degradation Determinations
Complete Forms	Complete Forms
Compliance Documentation	Public Hearings
Approvals	Test & Confirm Site Conditions
	Oversee Test Hole Evaluations
	Slope Determinations
	Visit Sites
	Recommend Approval

Source: Compiled by the Legislative Audit Division
from DEQ records.

Conclusion: Eliminate Duplication of Effort by Authorizing Local Health Authority Approval

Overall, the dual review and approval process does not appear to provide additional assurance of compliance with state and local sanitation regulations. In addition, the current dual review creates time delays in the approval process. We believe the duplication of effort should be eliminated and local health officials should be the approval authority for subdivision sanitation reviews. The current roles and responsibilities outlined in the Act (section 76-4-104, MCA) designate DEQ or a local department or board of health as the primary sanitation reviewing authority. However, this section also requires submission of all proposals to DEQ for review. We propose statutes be revised to designate the local review as the only required approval authority. This change would streamline the sanitation review process by eliminating department review. These changes should be considered in conjunction with the other recommendations in this report to strengthen the overall subdivision approval process.

Report Summary

Conclusion: Change Department of Environmental Quality Role

We believe DEQ's role should be redirected toward developing standards, setting regulations, and providing technical assistance to ensure a venue for statewide consistency. We also believe DEQ will need to reallocate the level of resources needed to support their other responsibilities related to Sanitation Act activities.

Conclusion: Program Funding Structure Should Support Local Reviews

By eliminating DEQ's review, the majority of review costs are shifted to the counties. In some cases, reviews may need to be contracted for, or additional resources may be needed. Currently, sanitation review fees are established by DEQ in ARMs and are primarily used to fund DEQ activities. In the past two fiscal years, the department collected between \$500,000 and \$700,000 in review fees. Total disbursement to counties ranged from \$136,000 to \$183,000. In fiscal year 1998-99, seventeen counties conducted sanitation reviews for 82 percent of the subdivision applications submitted. However, these counties received limited funding support. For example, Gallatin County accounted for \$120,000 in sanitation review fees for fiscal year 1998-99, but was reimbursed approximately \$13,000 for its reviews. Although a portion of sanitation review fees could continue to fund DEQ Sanitation Act activities, we believe the legislature should ensure additional fee support and fee setting authority at the local level. Without funding support, the recommendations to streamline this process and eliminate DEQ's role cannot be implemented.

Conclusion: Legislative Clarification Needed on Review Time Frames

Time frames in the Sanitation Act do not allow for review flexibility. Statute does not address incomplete applications, requests for additional information, or even when the clock starts or stops. In some cases, final approval was not received for over 200 days. Timely reviews were the primary concern raised by landowners and developers in our written survey because application delays increase project costs. Regardless of who is completing these reviews, DEQ or local officials, this is an area which should be addressed.

Other DEQ programs require compliance with timeliness criteria and still allow for review flexibility. For example, in the Air Quality program there are designated review time frames for two types of

Report Summary

permits. We believe similar legislative clarification is needed on sanitation review time limits.

Chapter I - Introduction

Introduction

The Legislative Audit Committee requested a performance audit of the subdivision approval process. The process is administered jointly through local governments and the Montana Department of Environmental Quality (DEQ). A preliminary review was conducted to assess potential audit objectives and develop audit methodologies.

We gained an overall understanding of the regulation process by:

- < Reviewing related statutes and rules.
- < Interviewing DEQ staff.
- < Reviewing past audit information.
- < Visiting local government operations.
- < Reviewing local and state agency files.
- < Attending related task force/committee meetings.

Comments were received from groups involved in the subdivision process, including environmental organizations, private consultants, engineering firms, professionals from the real estate industry, and local government staff.

Audit Objectives

Our initial audit work focused on identifying areas of potential overlap and duplication between two acts that govern the subdivision approval process: the Montana Subdivision and Platting Act (Platting Act) and the Montana Sanitation in Subdivisions Act (Sanitation Act). Further work revealed county operations have effectively separated the duties and functions of these two acts between their planning and sanitation offices. Platting Act responsibilities are completed in planning offices, while DEQ and local health officials are responsible for administering Sanitation Act activities.

Audit work concentrated on the Sanitation Act which is administered at the state level. Areas relating to growth management, land use policies, zoning, or comprehensive planning were not evaluated as part of this audit. Limited audit testing relating to the Platting Act

Chapter I - Introduction

Audit Scope and Methodologies

also highlighted issues for legislative consideration. Relative to the Sanitation Act, we directed our efforts to the following two areas:

1. How efficient is the current subdivision approval process?
2. Are statutory changes needed to improve the process?

We visited city and county operations to review the subdivision approval process. We reviewed the laws and rules relating to subdivision approvals. Proposed legislation from previous sessions was examined. Budget documents were examined to identify past funding trends and proposed changes. We collected and reviewed local regulations for all the county operations visited.

County visits were designed to gather information and to develop statewide conclusions. Both local planning and health departments were visited in 14 counties. These 14 counties are responsible for administering the sanitation approval process for 21 counties across the state. These counties also account for 75 percent of Montana's subdivision activity. We reviewed 85 files and visited 44 subdivision sites. Twenty-seven additional files were discussed with county officials. Comments were received from:

- < Local planning and sanitation directors and staff.
- < County commissioners and planning boards.
- < Private engineering firms, consultants, and surveyors.
- < Realtors and land developers.

Audit staff attended planning board meetings and county commissioner hearings related to the subdivision application approval process. Preapplication conferences, site evaluations, and final plat inspections were also observed.

File reviews focused on subdivision approvals in the past two fiscal years. Septic permit information at the local level was used to select subdivision sites with building activity. Comparisons were made between lot layouts and DEQ certificates of approval. File information relating to fees charged, data submitted, and decisions

made was compiled. Review time frames were recorded for sampled files. Site evaluation data such as soil tests, nitrate analysis, well logs, and water percolation tests were also examined.

We monitored the activities of other groups studying or proposing changes to the subdivision approval process. For example, a group of legislators, state and local officials, realtors, and consultants were working through the Montana Consensus Council to identify and coordinate issues relating to the regulation of sanitation in subdivisions. Audit staff attended related meetings and gathered data used by this group. Interviews were conducted with the majority of the workgroup to ensure their input and to coordinate efforts. In addition, DEQ organized a Subdivision Task Force to provide input on subdivision standards in an effort to update program regulations. This group addressed the technical aspects of sanitation reviews for subdivisions. Audit staff also attended these meetings and discussed issues with various task force members.

We sent 215 surveys to various participants involved in the subdivision process. They included sanitarians and health officers, realtors and developers, surveyors and engineers, county commissioners, and county attorneys. The survey addressed four areas:

- < Process timeliness and clarity.
- < Reasonableness of state and county fees.
- < Effectiveness of the review process.
- < Consistency of the review process.

We had a 44 percent response rate to the survey. Concerns were raised on the timeliness, clarity, and consistency of the process. Additionally, respondents raised concerns that DEQ's role duplicated sanitation reviews completed at the local level. We incorporated survey ratings and comments in applicable sections throughout this report.

Chapter I - Introduction

This audit was conducted in accordance with governmental auditing standards for performance audits.

Compliance

State and local compliance with statutory requirements was examined throughout this audit. Testing focused on various statutory requirements which directly impact the subdivision approval process. Testing examined statutory time frames, roles and responsibilities, and areas of review. Specific statutory issues are presented throughout this report.

Management Memorandum

We sent a management memorandum which addressed clarifying procedures and requirements for waivers, deviations, and variances from standards or conditions placed on subdivided land. DEQ management responded to this issue and outlined steps for addressing noted concerns.

Issue for Further Study

We identified an area which may require additional legislative clarification. The following section discusses our potential concerns in this area.

Exemptions to the Platting Act

The Platting Act provides for exemptions from local review for several types of land divisions. Section 76-3-207, MCA, provides the following divisions of land are not defined as subdivisions under this chapter:

- < Divisions for the purpose of relocating common boundaries.
- < Divisions for a single gift or sale in each county to each member of the landowner's immediate family.
- < Land divisions used exclusively for agricultural purposes.

In several counties, family transfers and boundary relocation exemptions account for a significant portion of land divisions in the county. In Flathead County, family transfers accounted for 46 percent and boundary relocations were 13 percent of the applications received for land divisions in fiscal year 1998-99. In Gallatin County, family transfers accounted for 33 percent of the applications for land divisions during fiscal year 1998-99 and 43 percent related to boundary relocations.

Local government officials and staff expressed concern that many common boundary relocations and family transfers appear to be bypassing formal subdivision review of the land division. When the land is sold to a third party soon after the exemptions are granted, they believe the purpose of the family transfer or boundary relocation was to avoid local review. For example, in one county documentation indicated the median length of time to sell the land after a family transfer is 4.3 months.

For those lots created with these exemptions, there has been no local review of the land division to ensure the land is suitable for development, water availability, public access to the lots, or that utility easements exist. In addition, impacts on local services were not considered. Furthermore, there is no assurance fire protection, law enforcement, and road maintenance can be provided. Basically, the “new” subdivision received no local government review to ensure compliance with the requirements of the Platting Act. The legislature may need to study this issue further to ensure the original intent of the exemption is met.

Report Organization

The remainder of this report is divided into five chapters. Chapter II provides a general overview of the subdivision approval process. Chapters III through VI outline our findings, identify areas needing legislative consideration, and present audit recommendations.

Chapter II - Overview of Montana's Land Subdivision Process

Introduction

This chapter presents an overview of Montana's subdivision approval process. It contains a discussion of the laws which impact subdivision of land and provides information regarding governmental involvement with this process. A description of the procedures used to review subdivision proposals and involvement of local and state officials is included. Also discussed are fees associated with subdivision reviews, program funding, and Montana subdivision activity.

Subdivision Regulation

Subdivision regulation has gone through several phases. Montana enacted its first enabling subdivision control for cities and counties in 1883, the Plats of Cities and Towns. This act gave local governments control over surveying and platting of town sites and subdivisions. The next step taken by the Legislature was to ensure safe septic and adequate water supplies by passing the Montana Sanitation in Subdivisions Act in 1961. The Montana Subdivision and Platting Act, passed in 1973, replaced the early platting act and gave local governments more comprehensive control over surveying, platting, and subdivision design than did the earlier statute. Since that time, subdivision regulation has focused on two areas -- platting and sanitation.

Montana Subdivision and Platting Act (Platting Act)

The Platting Act (Title 76, chapter 3, MCA) provides the basic framework for regulation of subdivisions. The purpose of the act is to promote the public health, safety, and welfare by regulating the subdivision of land. The act is also designed to protect the rights of property owners and require uniform surveying of land subdivisions and transfers of interests in real property. Subdivisions impacted by the Platting Act primarily include parcels less than 160 acres.

The Platting Act designates local governments as the authority to regulate subdivisions and includes several key requirements including:

- < Elements of environmental assessments.
- < Preliminary plat specifications and required documentation.

Chapter II - Overview of Montana's Land Subdivision Process

- < Types of areas unsuitable due to natural or human-caused hazards.
- < Prohibiting subdivisions in areas within the 100-year floodway.
- < Lot design, streets and roads, and park and open space standards.
- < Drainage, water supply, and sewage/solid waste disposal review.
- < Location and installation of utilities.
- < Granting variances to subdivision regulations.
- < Bonding requirements to ensure construction of public improvements.

Essentially, the act describes the procedures and requirements necessary to create a subdivision of land.

Montana Sanitation in Subdivisions Act (Sanitation Act)

The other key act affecting subdivision of land is the Sanitation Act (Title 76, chapter 4, MCA). This act was designed to protect the quality and potability of water for public water supplies and individual wells. Formal review and approval of proposed water, sewer, solid waste, and storm water drainage systems in subdivisions ensures public waters are protected. Responsibility for this review is shared between the Department of Environmental Quality (DEQ) and local governments. The authority to inspect/monitor installation of sewage disposal and water supply systems and to enforce act requirements is granted to both DEQ and to local officials. Protection of water quality for other uses related to agriculture, industry, recreation, and wildlife is also addressed. The act requires DEQ to adopt administrative rules and sanitary standards to ensure compliance. Subdivisions impacted by the Sanitation Act include those for parcels less than 20 acres. Other than differences in lot size, definitions of subdivisions under this act mirror those of the Platting Act.

Chapter II - Overview of Montana's Land Subdivision Process

Subdivision Approval Process

All requests to subdivide go through basically the same approval process and the bulk of the review occurs at the local level. Each subdivision proposal is evaluated to determine compliance with both the Platting and the Sanitation Acts. The current process provides some flexibility in the timing or sequence of review by allowing for concurrent review by local governments and by DEQ. Generally, there are three distinct phases involved in the subdivision review process.

Preliminary Plat Approval

During the first phase, the developer submits an application for the proposed subdivision, a preliminary plat, and supporting documentation to the local planning office. The subdivision proposal is generally reviewed by the local planning board and its staff. After the planning board reviews the information, it makes a recommendation to the local governing body -- either the Board of County Commissioners or Board of City Commissioners. The commissioners then issue a decision to approve, conditionally approve, or deny the proposed subdivision. The most common decision at the preliminary plat phase is to approve the subdivision based upon the subdivider meeting specific conditions such as:

- < Completing access roadways.
- < Ensuring utility services are installed.
- < Erecting street signs and addresses.
- < Initiating weed control measures.

Sanitation Approval

The second phase of the subdivision approval process relates to sanitation, water supply, and storm water drainage systems. The subdivider prepares a sanitation review application and lot layout which shows the location of proposed drainfields or connections to public sewer systems, wells or other water supply systems, and storm water drainage systems. Other supporting documentation is also required including topographical information, soil percolation tests, water analysis, groundwater data, well logs, soil data, location of surrounding surface waters, and flood plain information. The application, proposed lot layout, and supporting documentation are provided to the local health official who is generally the county

Chapter II - Overview of Montana's Land Subdivision Process

sanitarian. Sanitarians review the information and visit the site to determine suitability of proposed sanitation systems. Then the local health official issues an approval or denial regarding suitability of the proposal. The sanitation application and supporting documents along with the local health official's comments are then forwarded to DEQ for review. DEQ makes a determination to deny or approve the proposal. Standard DEQ conditions of approval address issues such as lot layout and whether technical sanitation/water system standards are met. DEQ returns a copy of its findings to the local health officer.

Final Plat Approval

Once the developer has complied with the conditions of preliminary plat approval (those stipulated by the Board of County or City Commissioners) and has received a DEQ certificate of sanitation approval, they can file for final plat approval with the local planning office. The local planning office and Planning Board serve in an advisory capacity and recommend to the local governing body (Board of County or City Commissioners) the approval or disapproval of the final plat. Upon approval, the plat is finalized and can be filed with the local Clerk and Recorder. For lots under 20 acres, final subdivision plats and certificates of survey must include sanitation approval before they may be filed in the Clerk and Recorder's office.

DEQ and Local Program Funding

Both DEQ and local governments rely on subdivision review fees paid by the subdivider/developer to help fund activities involved with reviewing subdivision proposals.

Funding for DEQ Review Activities

State sanitation review fees are based upon the type of subdivision being proposed, number of lots involved, and types of water supply/sewage disposal systems. DEQ's activities are funded entirely through sanitation review fees deposited in a state special revenue account. For the 2001 biennium, the department was appropriated \$931,363 for fiscal year 1999-2000 and \$916,671 for fiscal year 2000-01 from this account to conduct sanitation reviews.

Chapter II - Overview of Montana's Land Subdivision Process

Funding for Local Review Activities

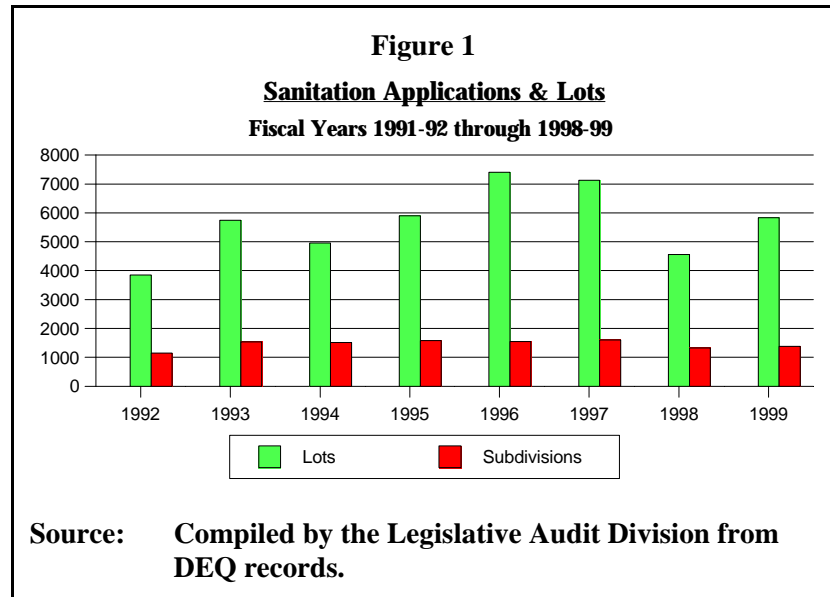
Local health officials also review proposed subdivisions to ensure compliance with sanitation regulations. Some of the subdivision sanitation review fees which are collected by DEQ are returned to local governments on a contract reimbursement basis to help fund local level activities. Approximately 26 percent of the fees collected by DEQ were returned to counties in fiscal years 1997-98 and 1998-99. Total reimbursements to counties ranged from \$136,584 in fiscal year 1997-98 to \$182,843 for fiscal year 1998-99. (See Appendix A for reimbursements to each county during the past two fiscal years.)

Funding for review of subdivision proposals for the Platting Act is derived from a separate funding source which is assessed entirely at the local level. Fees are generally assessed for preliminary plat review, final plat review, and recording fees. This revenue is used to fund operations of local planning offices. Fees are based upon the type of subdivision proposed and the number of lots. As complexity of the subdivision and number of lots increases, so do the planning fees.

Montana's Subdivision Activity

The amount of subdivision activity occurring under the Sanitation Act in Montana peaked during 1996 with over 1,500 applications for 7,000+ lots. During fiscal year 1998-99, there were 1,378 applications for new subdivisions creating 5,829 new lots. Lots created under the Sanitation Act are less than 20 acres. The following chart illustrates the number of applications for new subdivisions and the number of lots created by those subdivisions from fiscal years 1991-92 through 1998-99.

Chapter II - Overview of Montana's Land Subdivision Process



Ninety percent of the subdivision activity which occurred in fiscal year 1998-99 was related to minor subdivisions -- those which create five or fewer lots. Over the past two fiscal years (1997-98 and 1998-99), the majority of proposals for new subdivisions originated in the following counties: Flathead, Ravalli, Missoula, Lincoln, Gallatin, Lake, and Yellowstone.

Chapter III - Changes Needed in the Montana Sanitation in Subdivisions Act

Introduction

Our audit objectives were designed to focus on process efficiency and the need for statutory changes. Testing was directed primarily at the Montana Sanitation in Subdivisions Act (Sanitation Act) which is administered at the state agency level and by local officials. This chapter discusses changes which would streamline the sanitation review process and reduce review time frames.

Duplication of Effort Occurs in Sanitation Reviews

During the sanitation and water supply phase of the approval process (discussed on page 9), reviews are completed to determine the type and size of sanitation systems needed. Currently, similar reviews are completed by local health officials and Department of Environmental Quality (DEQ) staff. The following table notes the primary roles and responsibilities in this review process.

Table 1
Responsibilities in Sanitation Reviews

DEQ Responsibilities

Application Reviews
Degradation Determinations
Complete Forms
Compliance Documentation
Approvals

Local Responsibilities

Application Reviews
Degradation Determinations
Complete Forms
Public Hearings
Test & Confirm Site Conditions
Oversee Test Hole Evaluations
Slope Determinations
Visit Sites
Recommend Approval

Source: Compiled by the Legislative Audit Division from DEQ records.

Chapter III - Changes Needed in the Montana Sanitation in Subdivisions Act

Level of Local Review Versus DEQ Review

At the local level, health officials visit proposed sites, meet with developers/consultants, provide information at public hearings, and work with other local agencies when reviewing sanitation systems. Local reviews confirm site conditions and site tests for reasonableness. During our audit, local officials displayed a familiarity with state program requirements as well as knowledge of local regulations and special conditions impacting subdivision proposals. We found local officials review applications to determine completeness and deny applications when information is incomplete or does not ensure compliance with state and local regulations. In addition, section 76-4-106(3), MCA, gives local officials authority to contract with other local reviewing authorities or consultants to conduct reviews. Therefore, counties with limited resources have the option to address sanitation reviews through contracts with other counties or qualified private consultants.

DEQ's evaluation of proposed subdivision sanitation systems is generally a paperwork review. Their analysis is based on information received after local officials conduct their review and make a determination whether standards were met. Interviews with DEQ staff and file reviews reflected the following limitations with the department's review:

- < DEQ staff do not visit proposed sites and/or observe site evaluation tests.
- < In the 85 files we reviewed, 41 percent were initially denied for noncompliance with nondegradation calculations. However, 100 percent of those files were given final approval after providing new documentation or new data.
- < Sanitation approval certificates do not generally reflect DEQ review.
- < DEQ specifications or denials were not always followed or implemented.
- < DEQ review accounted for 64 days of the 98-day average processing time.
- < DEQ denials were issued in 78 percent of the files reviewed. However, the majority of these denials related to nonsanitation

Chapter III - Changes Needed in the Montana Sanitation in Subdivisions Act

issues such as the need for property legal descriptions. In all cases, DEQ approval was eventually obtained.

We found examples where structures were built on drainfields or two dwellings were using a drainfield designed for one structure. Wells were often in different locations than where noted on DEQ layouts. In addition, we found proposals where additional time was spent responding to DEQ comments but no actual changes were made to the subdivision proposal. On the other hand, we found local reviewing authorities were generally aware of the reasons for these deviations and were taking action. For example, local health officials may identify the need for a replacement drainfield or take court action to change existing sanitary systems. We found local officials are the “eyes and ears” of the process. Local officials generally take the steps necessary to ensure compliance with program requirements and protect public health.

***Conclusion: Eliminate
Duplication of Effort by
Authorizing Local Health
Authority Approval***

Overall, it appears DEQ reviews are not adding value to the sanitation review and approval process. The dual review and approval process does not appear to provide additional assurance of compliance with state and local sanitation regulations. In addition, the current dual review creates time delays in the approval process. We believe the duplication of effort should be eliminated and local health officials should be the approval authority for subdivision sanitation reviews. In order to make this change, revisions to the Sanitation Act are needed. The current roles and responsibilities outlined in the Act (section 76-4-104, MCA) designate DEQ or a local department or board of health as the primary sanitation reviewing authority. However, this section also requires submission of all proposals for DEQ review. We propose statutes be revised to designate the local review as the only required approval authority. Legislation could be enacted to streamline the sanitation review process by eliminating department review. This change should be taken in conjunction with the other recommendations in this report to strengthen the overall subdivision approval process.

Recommendation #1

We recommend legislation be enacted to eliminate DEQ’s review in the sanitation approval process.

Chapter IV - Change Department of Environmental Quality Role

Introduction

Eliminating the Department of Environmental Quality's (DEQ) review in the sanitation review process would significantly change DEQ's current role. To address these changes, we believe DEQ's role should be redirected toward developing standards, setting regulations, and providing technical assistance to ensure a venue for statewide consistency. We also believe DEQ will need to reallocate the level of resources needed to support their other responsibilities related to Sanitation Act activities. This chapter discusses specific steps needed to make these changes and strengthen the overall process.

Maintenance and Revision of Statewide Regulations

One primary role in program development is maintaining program regulations. State regulations for sanitation reviews are provided in a combination of ARMs, technical circulars, and policy memorandums. There are almost 500 pages of rules and technical circulars that outline sanitation requirements. Use of these regulations is critical for developing subdivision proposals and conducting reviews. Both the regulated community and DEQ agree the current regulations are outdated and have not kept up with available technology. Major changes were made in 1984 and 1992. During the past year, DEQ worked with a Subdivision Review Task Force to address this area and bring regulations up to date. However, maintaining and revising regulations has not been an ongoing DEQ priority. The department could strengthen the review process by prioritizing this area. The following sections discuss specific areas where additional clarification and guidance is needed.

Nondegradation Procedures

DEQ is responsible for environmental oversight in statutes such as the Water Quality Act and Montana Environmental Policy Act (MEPA). These statutory requirements authorize DEQ to develop procedures for evaluating impacts of program activities on the environment. To address requirements in the Water Quality Act, DEQ has developed procedures and forms for nondegradation analysis for all lots proposed for subdivision. The majority of local officials we contacted raised concerns in this area. In the 85 files we reviewed, 41 percent were initially denied for noncompliance with

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nondegradation calculations. However, 100 percent of those files were given final approval after providing new documentation or new data. No on-site analysis is completed to verify proposed changes. We found this led many groups to believe these procedures are “a paperwork shuffle.”

We also found some local officials were “intimidated” by nondegradation analysis while others were comfortable completing the required calculations and forms. DEQ has not developed a technical circular to provide guidance or advice for nondegradation. DEQ has not formally reviewed nondegradation procedures since they were put in place in 1993. It is time for the procedures to be reevaluated.

MEPA and Cumulative Effect Evaluations

MEPA requires DEQ to assess the environmental impacts from development activity. For sanitation reviews, DEQ procedures include completing a checklist for environmental assessment (EA) for all proposals. DEQ and local staff both raised questions on the effectiveness and usefulness of this procedure. In files we reviewed, these checklists were cursory and provided minimal information. Generally checklists reflected minor or “unknown” impacts and then concluded overall there were no significant impacts. Related environmental information compiled under the Platting Act (section 76-3-603, MCA) by local planning staff is not reviewed or incorporated into these checklists.

A major concern raised by local officials and survey respondents was the lack of a cumulative effects analysis from subdivision activity. We found DEQ analysis is conducted on an application-by-application basis rather than assessing the overall impacts from increased subdivision activity. For example, no information is compiled or reviewed on a countywide or regional basis. Therefore, the current procedures are not effective in assessing the cumulative environmental impacts of subdivisions or in meeting legislative intent of MEPA.

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Summary

Based on our file reviews, interviews, and site visits, it does not appear DEQ guidelines and procedures have been kept up to date and in some cases are not meeting legislative intent. The department should revisit these areas to ensure the procedures are “user-friendly” for local officials, as well as to ensure compliance.

Recommendation #2

We recommend DEQ strengthen the current sanitation review process by:

- A. Establishing ongoing maintenance and revision of program regulations as a priority.**
- B. Developing a technical circular on nondegradation procedures for local reviewing authorities.**
- C. Establishing a system to compile cumulative effects and assure MEPA compliance.**

Program Technical Assistance

Every local governing body contacted or visited voiced a concern regarding the lack of on-site training or technical assistance by DEQ staff. Many county staff noted DEQ does not visit local offices to provide assistance or offer feedback on local procedures or processes. There would be several benefits associated with on-site DEQ visits:

- < Best management practices used by counties could be shared. (Specific examples are highlighted in Appendix B.)
- < Regulation changes could be related to actual lot layouts.
- < Local feedback could highlight inconsistencies or needed changes.
- < Ongoing discussion of technical issues could be conducted.
- < Regional standards could be developed rather than using the current “one size fits all” approach.

In addition to on-site assistance, DEQ could put more emphasis on statewide consistencies. One step needed is additional review of

Chapter IV - Change Department of Environmental Quality Role

local regulations. Most local reviewing authorities adopted regulations that are incorporated into their review of sanitation systems for subdivisions. Generally these regulations correspond with state regulations. However, some local regulations do not allow systems currently recognized in state regulations. In other cases, specific requirements are not addressed in state regulations. On occasion, local reviewers are faced with conflicting state and local regulations. Their reviews might support approval of a sanitation system under local regulations but denial under state regulations.

DEQ has taken steps to address this area by developing ARMs which require local health officer approval. However, review of local regulations could also highlight potential regulation conflicts.

Summary

The current process involving DEQ review does not address the consistency issue. Although statewide standards are in place and local officials have developed methods for ensuring compliance, some inconsistencies still occur. We believe emphasizing DEQ's role in technical assistance and review of regulations will strengthen statewide consistency for the sanitation review process.

Recommendation #3

We recommend DEQ emphasize program consistency by:

- A. Providing regular on-site technical assistance to local reviewing authorities.**
- B. Reviewing local sanitation regulations to highlight potential regulation conflicts.**

Chapter IV - Change Department of Environmental Quality Role

Some DEQ Functions Will Not Change

DEQ subdivision staff would no longer be responsible for reviewing each proposed sanitation system; however, DEQ would still provide support of the Sanitation Act. For example:

- < DEQ responsibilities related to public water and wastewater systems will still be in place. The department's authority for those systems is provided in other Montana statutes and federal guidelines. Subdivision proposals that include those types of systems will still require DEQ review and must meet those program standards.
- < Enforcement Division personnel are responsible for complaint investigations for violations of other acts administered by DEQ. This is not an area impacted by the proposed changes.
- < Section 76-4-104(5)(a), MCA, allows for department review of divisions of land that lie within more than one jurisdictional area and the respective governing bodies are in disagreement concerning approval or conditions of approval. We believe this function would still be necessary and DEQ should continue to complete those types of reviews.

DEQ Resource Needs Will Change

Significant changes are proposed in DEQ's role and responsibilities. Day-to-day DEQ workload associated with processing over 1,200 applications relating to 5,000+ lots would no longer be required. This work currently consumes a major portion of staff time. In a time study completed in December 1998, DEQ subdivision staff spent 70 percent of their time completing sanitation and nondegradation reviews for subdivision proposals. By eliminating DEQ's role in sanitation approvals, we believe DEQ resource needs will also change.

Current DEQ resources include 6.5 FTE, with an additional 2 FTE authorized. With the proposed changes, the level of resources needed at the state level should be reduced to redirect those resources to the local level. The following table illustrates two scenarios for reducing DEQ resources and potential increases in local funding support.

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Table 2
Approximate Funding Levels

	Current DEQ Resource Allocation (6.5 FTE)	DEQ Resources With 4 FTE	DEQ Resources With 3 FTE
Personal Services	\$300,000	\$184,000	\$138,000
Operating Costs	\$111,000	\$51,000	\$39,000
Local Funding Support	\$183,000	\$358,000	\$415,000

Source: Compiled by the Legislative Audit Division from DEQ records.

Although changes in DEQ's role are discussed in this chapter, we do not believe the current level of resources will be necessary to support revised responsibilities. DEQ should reallocate the level of resources needed to support Sanitation Act activities based on a changed role in the sanitation review process.

Recommendation #4

We recommend DEQ reallocate the level of resources needed to address a new role with the Sanitation Act.

Chapter V - Impacts to Local Authorities

Introduction

The proposed changes in the Sanitation Act will also have significant impacts to local reviewing authorities. In order to ensure the intent of the act is met at that level, changes are needed to ensure the resources and capabilities are available. This chapter discusses changes needed to address local impacts.

Current Local Responsibility

Local officials are concerned with potential liabilities associated with assuming the primary approval role for sanitation reviews. The Platting Act (section 76-3-625, MCA) already authorizes seeking damages from local reviewing authorities. Further, under Title 50, MCA, local health officials are required to review and approve public health and safety issues including subdivision sanitation reviews. As a result, we believe county officials already have responsibilities for subdivision decisions.

Current Local Resources and Capabilities

In the 14 counties visited, we found some local reviewing authorities do not have the resources or qualified personnel to conduct all reviews while other counties have staff with specific areas of expertise. Generally those counties with limited resources also had limited subdivision activity. In one case, one person is conducting reviews for six counties due to the limited activity in that region. However, all local health officials will need the flexibility and resources to address areas such as nondegradation calculations or complex water and sewer systems.

Section 76-4-106(3), MCA, gives local officials authority to contract with other local reviewing authorities or consultants to conduct reviews. Therefore, counties have options for addressing sanitation reviews through contracts with other counties or qualified private consultants. In addition, local officials may need to request a DEQ review when technical questions are raised related to state standards. As noted earlier, some local health officials may not have the capabilities to resolve some of these questions. For example, many counties have only one health official to conduct sanitary reviews. If questions arise on how a particular proposal meets state standards or if there is a need for an independent verification of calculations completed, DEQ assistance may be required. Department staff

Chapter V - Impacts to Local Authorities

could complete this type of application review upon request from local officials as part of their technical assistance role.

Additional funding support for local authorities would provide additional review options for local officials. In order to ensure these options are available and to ensure fees support actual review costs, we believe the funding structure for activities administered under the Sanitation Act should be revised. The following section outlines proposed funding changes.

Counties Receive Limited Funding Support

Sanitation review fees are established by DEQ in ARMs and are primarily used to fund DEQ activities. In the past two fiscal years, the department collected between \$500,000 and \$700,000 in review fees. Total disbursement to counties ranged from \$136,000 to \$183,000. In fiscal year 1998-99, seventeen counties conducted sanitation reviews for 82 percent of the subdivision applications submitted. However, these counties received limited funding support. For example, Gallatin County accounted for \$120,000 in sanitation review fees for fiscal year 1998-99, but was reimbursed approximately \$13,000 for its reviews. (See Appendix A for all county reimbursements.) In addition, local officials are generally not charging a local sanitation review fee to separately fund their own operations.

State programs such as Food and Consumer Safety and Noxious Weeds are also administered at the local levels. Administering state agencies provide technical assistance and administrative rule duties. Funding for these programs is allocated by establishing a minimum percentage needed for state agency support and devoting a majority of the funds to local agencies. In comparison, the Food and Consumer Safety program designates 85 percent of its license fees to support county facility inspections. However, the funding allocation for sanitation reviews is based on statute requiring submission of all applications to DEQ. Since we are recommending eliminating DEQ from the review and approval process, we believe the current funding allocation should also change. The funding structure should provide a higher portion of the fees charged go to the local level to support their review costs.

Chapter V - Impacts to Local Authorities

Fees Should Be Established by Local Authorities

Section 76-4-105(1), MCA, requires DEQ to adopt rules for sanitation review fees that do not exceed actual department costs in reviewing plats and subdivisions. With the proposed changes, review costs will be shifted to the local level. Variations in subdivision activity, local regulations, and environmental considerations suggest a wide range of resource needs at the county levels. For example, Dawson County had a total of five minor subdivisions while Flathead County had 267 subdivision proposals in fiscal year 1998-99. To address resources and capabilities needed for reviews, local reviewing officials should have the authority to establish fees to support workloads and ensure compliance with sanitation program requirements. Section 76-4-105(1), MCA, already allows for deposit of fees in either a state special revenue fund or the general fund of a reviewing authority's jurisdiction. However, the statute does not allow for local authority to establish related fees.

Conclusion: Program Funding Structure Should Support Local Reviews

A funding structure must be in place to ensure local officials can pursue all options to conduct sanitation reviews. By eliminating DEQ's review, the majority of review costs are shifted to the counties. In some cases, reviews may need to be contracted for or additional resources may be needed. Although a portion of sanitation review fees could continue to fund DEQ Sanitation Act activities, we believe the legislature should ensure additional fee support and fee setting authority at the local level. Without funding support, the recommendations to streamline this process and eliminate DEQ's role cannot be implemented.

Recommendation #5

We recommend the legislature enhance local funding support in the Sanitation Act by:

- A. Designating the majority of fees to local authorities.**
- B. Granting authority to set fees at the local level.**

Chapter VI - One Other Change Needed

Introduction

One of our goals while reviewing county planning and sanitation operations was to identify changes needed to improve the process. In this section we identify one other change which could improve operating procedures.

Timeliness Should Be Clarified

Section 76-4-125(1)(b), MCA, requires the reviewing authority take final action on a proposed sanitation plan within 60 days unless an environmental impact statement is required; then the deadline may be increased to 120 days. This statute also allows a developer to present additional information at any time after the application has been submitted, generally at the request of the reviewer. However, no additional review period is prescribed for processing additional information after it is requested/submitted.

Other DEQ programs require compliance with timeliness criteria and still allow for review flexibility. Statutes for these programs provide time frame alternatives. For example, in the Air Quality program there are designated review time frames for two types of permits. For construction, installation, or alteration permits, section 75-2-211(9)(b), MCA, outlines final approval for program permits as 60 days after application receipt. This statute allows for further review by stipulating specific procedures to extend the deadline. Both DEQ and the applicant may obtain a 30-day extension through written agreement from both parties. For air operating permits, section 75-2-218(1), MCA, allows for DEQ determination of application completeness within 60 days after submittal of the application. When the department determines an application is incomplete, the review time clock stops and does not continue until additional information is received.

Applicable rules prescribe sanitation review procedures and state the application can be denied if deemed incomplete. When additional information is provided, DEQ restarts the review time clock. Therefore, when additional information is submitted another 60 days may be taken. This results in a combined total review time that exceeds the 60-day limit. In some cases, final approval was not received for over 200 days. However, language in the statute has created an expectation that review actions will be completed in

Chapter VI - One Other Change Needed

60 days. Lack of timely reviews was the primary concern raised by landowners and developers in our written survey because application delays increase project costs. Regardless of who is completing these reviews, DEQ or local officials, this is an area which should be addressed.

Conclusion: Legislative Clarification Needed on Review Time Frames

Time frames in the Sanitation Act do not allow for review flexibility. Statute does not address incomplete applications, requests for additional information, or even when the review period starts or stops. Although DEQ may no longer perform these reviews, local authorities will need to ensure statutory time frames are followed. We believe legislative clarification is needed on review time limits.

Recommendation #6

**We recommend legislation be enacted to clarify
required review processing times in the Sanitation Act.**

Department Response



Montana Department of
ENVIRONMENTAL QUALITY

Marc Racicot, Governor

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May 24, 2000

MAY 24 2000

Angie Grove
Performance Audits
Legislative Audit Division
P.O. Box 201705
Helena, MT 59620

Dear Ms. Grove:

In response to the findings identified in the Performance Audit on Subdivision Approval Process dated June 2000, the Department of Environmental Quality (DEQ) has the following contemplated plan for corrective action on each recommendation.

Recommendation #1

We recommend legislation be enacted to eliminate DEQ's review in the sanitation approval process.

Response

The department is committed to continue a two year effort of working cooperatively with the counties to develop a process for subdivision review that is efficient and effective. The department is not opposed to making major changes in the structure of subdivision review, but feels that any changes need to be undertaken with the concurrence of the counties. The department recognizes that local review is critical and more comprehensive and has already implemented changes in the process to reflect that fact. A new rule was adopted requiring a demonstration that a subdivision is in compliance with local rules and allowing local requirements to be included on plat approvals. Also new contracts that streamline the review that occurs at the department allowing the counties to effectively approve minor subdivisions have been sent to the counties for review. While this approach does not eliminate the dual regulation between the counties and the state, it does make the current process more efficient. If the counties support eliminating the department's role in the approval process, the department would support that change in subdivision review also. The department will be meeting with the counties June 13, 2000 to discuss how to proceed. The department has already submitted a placeholder for subdivision-related legislation to the Governor's Office so if the decision is to proceed with legislation, the department could begin drafting a bill immediately.

Recommendation #2

We recommend DEQ strengthen the current sanitation review process by:

- A) Establishing maintenance and revision of program regulations as a priority.
- B) Developing a technical circular on nondegradation procedures for local reviewing authorities.
- C) Establishing a system to compile cumulative effects and assure MEPA compliance.

Response

The department recognizes that these are integral activities for any effective subdivision program. The department is committed to implementing these activities in the near future.

- (A) Many of the conflicts that have been experienced by the program in the past few years have stemmed from the fact that the regulations were not updated and kept current. The department has already invested a lot of staff time to update the regulations and circulars this year and is committed to carefully reviewing and revising them on a periodic basis at least once every four years. In conversations with the Consensus Council and the counties this has been raised as a top priority and the department understands that maintenance of the rules is essential for an effective program.
- (B) Nondegradation procedures are a complex issue that the department agrees needs to be reviewed in relation to subdivision review. The department is committed to a systematic analysis of the nondegradation process and to address both technical and practical problems associated with nondegradation review of subdivisions to implement a logical and workable system. The department will implement education and training forums for both county personnel and developers so that the policy can be consistently applied. In addition the current model that is used to assess nondegradation will be reevaluated.
- (C) MEPA under Sanitation in Subdivisions is somewhat different than MEPA in other programs in that there is a court decision that directs the department to only look at water, sewer and solid waste. This makes the review required under MEPA for Sanitation in Subdivisions more limited than in other programs. In addition the mandated time frames for subdivision review limit the amount of time and effort that can go into the MEPA review. The department is evaluating how to make the MEPA review more meaningful. The department is working to develop a system that will allow for development of criteria that will dictate when and how MEPA reviews will be conducted especially in relation to cumulative impacts.

Recommendation #3

We recommend DEQ emphasize program consistency by:

- A) Providing regular on-site technical assistance to local reviewing authorities.
- B) Reviewing local sanitation regulations to ensure minimum state standards are met.

Response

The department has already implemented these recommendations and is expanding their application.

- (A) The department is making it a priority to get staff in the field both to do training for sanitarians and consultants and to evaluate on-site conditions for the submittals they are working on. This effort will continue and expand into areas identified by county personnel and developers where they feel training would be beneficial. However due to the legally mandated review responsibilities of the subdivision staff, there are resource limitations on how much training can occur. An agenda for Subdivision Review and nondegradation training being given by the department this week is attached as an example of training currently being provided.
- (B) The department is already reviewing local sanitation regulations when the counties ask for review and both the counties and the department have found this to be a worthwhile effort. The department will continue to perform these reviews as an integral part of a comprehensive program.

Recommendation #4

We recommend DEQ reallocate the level of resources needed to address a new role with the sanitation act.

Response

If the department no longer performs plat review and approval, but adopts only the role of developing standards, setting regulations and providing technical assistance to ensure a venue for statewide consistency, a funding level for that type of program will be developed and fees collected accordingly.

Recommendation #5

We recommend the legislature enhance local funding support in the Sanitation Act by:

- (A) Designating the majority of fees support local reviewing costs.
- (B) Providing local authority to set review fees.

Response

The department recognizes that the current fee structure is inadequate to fund the activities related to subdivision review and approval both at the local level and at the state level. The department is beginning discussions with the counties regarding fee reimbursement through the contract process.

- (A) Unless the department is eliminated from the review process, fee support to the department cannot be decreased. If the department is eliminated from the review, then a different fee structure will be developed and implemented with adequate fees to support the county review and the department role.
- (B) The department believes that local governments should have the authority to set review fees and would add that provision to any subdivision legislation that is promoted by the department.

Recommendation #6

We recommend legislation be enacted to clarify required review processing times in the Sanitation Act.

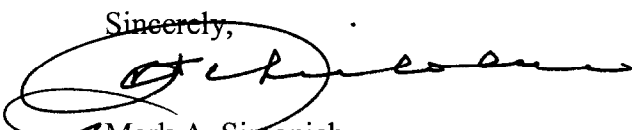
Response

The department analyzed the question of review processing times in the Sanitation Act from both a legal and historical viewpoint and concluded that the department does have flexibility to address incomplete applications, additional information requests or to define how the review clock starts and stops. However the department's interpretation turns on the reading of the term "final action" in Section 76-4-125(1)(b), MCA. Since there is a question about that interpretation, if the department pursues legislation, then language will be included in the bill to define how the review clock starts and stops.

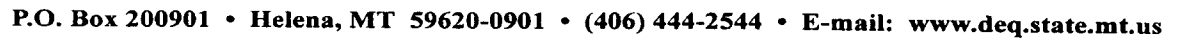
My staff and I have reviewed the legislative audit report and believe that the findings are accurate and point out areas where subdivision review needs to be changed to make the process more effective and efficient. However while the department is intrigued with the idea of eliminating staff review of all subdivision submittals and assigning that responsibility totally to the counties, it is committed to working with the counties on any changes and wants to evaluate the impact on counties and potential problems for the counties before supporting the recommendation.

If you have any questions, please call me at 444-2544.

Sincerely,



Mark A. Simonich
DIRECTOR



Appendix A

Sanitation Review Fees Collected By County FY 1997-98 and FY 1998-99

<u>County</u>	<u>DEQ Collections '98</u>	<u>County Reimbursements</u>	<u>DEQ Collections '99</u>	<u>County Reimbursements</u>
Beaverhead	4,330.00	365.00	5,020.00	700.00
Big Horn	1,410.00	115.00	950.00	175.00
Broadwater	6,780.00	3,149.00	16,515.00	3,018.00
Carbon	8,412.91	700.00	10,607.60	1,555.00
Carter	160.00	10.00	0.00	0.00
Cascade	13,180.00	4,001.00	27,335.81	7,362.00
Choteau	660.00	150.00	140.00	0.00
Custer	1,200.00	100.00	405.00	0.00
Daniels	720.00	10.00	120.00	25.00
Dawson	966.36	60.00	1,010.00	175.00
Deerlodge	4,785.00	245.00	8,980.00	850.00
Fergus	5,570.36	335.00	7,240.00	800.00
Flathead	73,386.00	29,534.00	100,645.03	34,751.00
Gallatin	88,967.65	12,431.00	120,062.52	13,067.00
Glacier	360.00	20.00	620.00	125.00
Golden Valley	360.00	n/a	135.00	n/a
Granite	2,266.33	130.00	1,991.66	225.00
Hill	255.00	10.00	490.00	100.00
Jefferson	16,874.73	4,857.50	9,563.80	4,696.00
Judith Basin	240.00	n/a	320.00	n/a
Lake	16,130.00	6,609.00	36,103.03	14,168.00
Lewis & Clark	29,949.11	10,652.00	48,000.00	13,562.00
Liberty	200.00	25.00	275.00	50.00
Lincoln	41,750.64	16,324.50	37,669.91	18,107.00
McCone	3,390.00	10.00	0.00	0.00
Madison	16,096.82	965.00	30,250.00	3,245.00
Meagher	3,435.00	190.00	620.00	172.00
Mineral	7,939.31	841.00	4,544.41	605.00
Missoula	36,455.00	9,433.50	68,995.00	17,325.00
Musselshell	390.00	n/a	4,770.00	n/a
Park	12,862.82	1,802.00	17,985.00	2,205.00
Phillips	0.00	0.00	480.00	150.00
Pondera	120.00	10.00	290.00	50.00
Powder River	0.00	0.00	160.00	25.00
Powell	7,620.00	485.00	1,710.00	225.00
Ravalli	56,097.70	12,919.00	43,106.45	16,815.00
Richland	370.00	45.00	1,576.43	200.00
Rosebud	240.00	20.00	160.00	0.00
Sanders	17,477.13	6,004.50	20,696.60	7,388.00
Silver Bow	14,102.58	3,866.00	5,920.00	3,315.00
Stillwater	6,240.00	1,730.00	10,032.17	1,250.00
Sweetgrass	1,560.00	734.00	2,765.00	539.00
Teton	2,505.00	245.00	2,840.00	230.00
Toole	315.00	30.00	0.00	0.00
Valley	1,921.17	50.00	3,155.00	445.00
Wheatland	150.00	n/a	160.00	n/a
Yellowstone	15,648.44	7,371.00	56,378.28	15,148.00
Subtotal	\$523,850.06	\$136,584.00	\$710,793.70	\$182,843.00
Master Plans	\$53,260.00		\$1,063.21	
TOTAL	\$577,110.06	(26%)*	\$711,856.91	(26%)*

n/a - Included with other counties; *Excludes Master Plans

Source: Compiled by the Legislative Audit Division from DEQ records.

Appendix B

County Practices

If counties implement variations of these practices used in other counties, we believe subdivision review effectiveness can be improved.

- < Use an application review checklist to determine accuracy and completeness of subdivision proposal applications. (Gallatin, Yellowstone, Sanders)
- < Use a tracking system to monitor each stage of the subdivision review process. This mechanism serves both as a means of noting what follow-up activities or documents are needed and improving timeliness of the process. (Gallatin, Sweetgrass, Dawson)
- < Formalize file set-up and an information tracking system to ensure documentation supports decision-making. (Missoula, Stillwater)
- < Require individual well and septic permits to designate actual placement of these facilities. (Ravalli)
- < Attach a copy of the approved lot layout to the septic permit to help ensure septic systems are installed in the location approved by state and county officials. (Flathead, Gallatin, Ravalli)
- < Include specific planning conditions on plat documents to improve communication and awareness. (Flathead)
- < Use a standardized questionnaire to identify requirements for public services needed in proposed subdivisions. The questionnaire format makes it easier for local officials to provide input and increases the response rate. (Sweetgrass)
- < Consolidate multiple county planning and/or sanitation offices into one multicounty office in order to increase efficiency. (Dawson, Fergus)
- < Establish a permit coordinator and/or preapplication process to coordinate the subdivision approval process. (Lewis and Clark, Stillwater)
- < Require contractors to use perforated pipe to mark soil test holes and to help monitor groundwater levels. (Ravalli, Flathead)

Appendix B

- < Establish county fees to pay for additional services such as site evaluation, soil testing, or water percolation testing. (Ravalli, Lewis & Clark)
- < Publish and distribute education and information bulletins to improve private sector awareness of subdivision planning and sanitation requirements. (Flathead, Ravalli, Sanders, Stillwater)
- < Establish formal coordination between local government planning and sanitation offices on each subdivision application. (Missoula, Flathead, Madison, Gallatin)
- < Require a developer to post a weed bond in order to ensure weed management plans are implemented. (Carbon)
- < Use Subdivision Improvement Agreements as contractual agreements between the subdivider and local government officials to specify a subdivider's responsibilities such as road work, bridge replacement, or storm water drainage. These agreements involve posting a security or performance bond which is refunded upon completion of the agreed upon improvements. (Carbon)